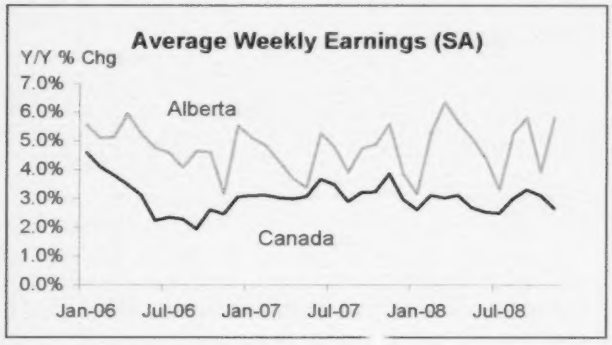
Average Weekly Earnings

Wages showed surprising strength in Alberta…

Canadian average weekly earnings increased to $804 in November, a gain of 0.4% from October. Among the provinces, Alberta led the way with a month-over-month gain of 1.7%. Alberta's average weekly earnings are currently the highest in the country, at $901. On a year-over-year basis, Alberta also outperformed the rest of the country, with an increase of 5.8%.



Employment Insurance

Numbers of beneficiaries are creeping up...

The number of Canadians receiving employment insurance benefits increased 3.1% from October to November, resulting in a seasonally-adjusted total of 506,320 beneficiaries. Although starting from a relatively low level, Alberta experienced a 7.3% increase in EI beneficiaries, the most among all provinces.

Industrial and Raw Material Product Prices

Product prices continue their fall...

The Industrial Product Price Index decreased 1.9% in December, while raw material prices declined by 15.4%. The December contraction was most severe for petroleum and coal products. Buffering the fall in industrial prices was a depreciating Canadian dollar, which inflated domestic prices for exports priced in U.S. dollars.

↑	**Canadian Dollar (US¢/CS)**	
	January 30, 2009	80.88
	January 23, 2009	80.13
	2008-09 YTD	91.57
↓	**WTI Oil US$/bbl**	
	January 29, 2009	$ 41.44
	January 22, 2009	$ 43.67
	2008-09 YTD	$ 95.10
↓	**Nymex Natural Gas CS/MMBtu** *	
	February Contract	
	January 30, 2009	$ 5.53
	January 23, 2009	$ 5.82

* Estimate based on Nymex Futures Market Price

Canadian and American GDP

The economic downturn deepens…

Canadian real GDP fell by 0.7% during November, almost double the consensus forecast of a 0.4% decrease. While the main contributors to the contraction were a 2.1% decline in manufacturing and a 3.1% decline in wholesale trade, most other sectors fell as well. Of the major industrial sectors, only agriculture, forestry and the public sector were able to maintain positive growth.

In comparison, U.S. real GDP contracted at an annual rate of 3.8% in the fourth quarter of 2008, better than the consensus estimates of 5.5%. Much of the difference can be accounted for by a buildup of unsold goods.

With the exception of the public sector, where spending rose by nearly 2%, all major drivers of the U.S. economy suffered steep declines. Consumer spending, which accounts for two-thirds of the U.S. economy, fell at an annual rate of 3.5% in the fourth quarter. This follows upon a 3.8% decline in the previous three months. Additionally, the export sector experienced a 20% fourth quarter contraction, due to the weakening global economy and an appreciating U.S. dollar. Even business investment fell sharply, led by a 28% decline in equipment and software.

Alberta CURRENT ECONOMIC INDICATORS

January 30, 2009

Overall Economy	2006	2007	2008YTD*	(year-over-year % change unless otherwise noted) July	August	Sept	Oct	Nov	Dec
Real GDP (in 2002 $billions)	181.8	187.5	--	--	--	--	--	--	--
% change	6.1	3.1	--	--	--	--	--	--	--
Nominal GDP ($ billions)	239.6	258.9	--	--	--	--	--	--	--
% change	8.7	8.1	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,421	3,511	3,585	3,585	--	--	3,611	--	--
% change	3.0	2.6	2.1	2.1	--	--	2.4	--	--
Net Interprovincial Migraton[1] (level)	45,795	33,809	10,010	6,730	--	--	4,927	--	--
Net International Migration[1] (level)	15,646	16,136	19,283	6,340	--	--	4,907	--	--
Net Non-permanent Residents[1] (level)	5,633	13,539	17,890	7,099	--	--	8,061	--	--
Labour Market									
Employment (000's)	1,871	1,959	2,013	2,011	2,007	2,024	2,039	2,035	2,019
% change	4.8	4.7	2.8	2.2	2.0	2.5	3.1	3.2	1.5
Unemployment Rate (%)	3.4	3.5	3.6	3.6	3.5	3.8	3.7	3.4	4.1
Average Hourly Wage Rate	6.9	6.0	5.7	4.7	5.3	5.5	6.2	5.0	4.1
Average Weekly Earnings	4.9	4.5	4.9	3.3	5.3	5.8	3.9	5.8	--
Labour Income[2]	12.7	11.4	8.6	8.2	8.3	8.2	--	--	--
Price Indices									
Consumer Price Index	3.9	5.0	3.1	3.5	4.0	2.8	2.4	2.1	1.9
Excluding food and energy	4.0	4.9	1.9	1.5	1.5	1.1	1.3	1.8	1.7
Non-Res. Const. Cost Index[3] (quarterly)	12.2	17.3	14.7	15.7 (Q2)	--	--	16.1 (Q3)	--	--
Farm Product Price Index	-0.7	13.5	12.4	30.8	14.9	-0.5	0.5	-1.8	--
Crops	1.4	39.5	31.9	63.5	16.4	-4.5	-9.8	-13.5	--
Livestock	-2.4	0.8	0.8	11.1	10.5	9.8	13.4	14.2	--
Household Sector									
Housing Starts (SAAR, 000's)	49.0	48.3	30.0	28.9	23.7	24.6	26.2	21.5	21.0
% change	19.9	-1.3	-37.6	-35.6	-51.5	-56.8	-47.9	-53.2	-44.6
New Housing Price Index	38.2	22.5	1.3	-2.7	-3.3	-3.4	-4.5	-5.1	--
Edmonton	28.9	32.1	1.9	-5.3	-5.7	-5.8	-7.7	-7.9	--
Calgary	43.6	16.2	1.1	-0.3	-1.1	-1.2	-1.6	-2.5	--
MLS Average Resale Prices	30.9	24.3	-1.4	-5.2	-5.2	-5.0	-3.7	-4.2	-7.4
Edmonton	30.0	34.3	-2.0	-5.3	-4.8	-5.6	-8.6	-2.0	-5.7
Calgary	38.6	18.7	-2.9	-7.8	-8.0	-6.0	-5.6	-6.0	-9.4
Retail Sales	15.4	9.3	0.6	0.6	-3.1	2.1	3.1	-5.7	--
New Motor Vehicle Sales	11.9	3.3	-5.8	-6.0	-13.5	-1.9	-2.6	-11.5	--
Business Sector									
Public and Private Investment[4]	18.3	4.9	3.8	--	--	--	--	--	--
Mining and oil and gas[4]	16.2	-5.5	-0.8	--	--	--	--	--	--
Rigs Drilling	-2.6	-35.2	-2.1	-1.7	10.7	6.9	18.4	3.5	-10.2
Goods Exports (customs based)	1.9	5.5	37.9	69.3	45.4	52.5	47.1	17.2	--
Energy	-0.5	4.4	47.0	93.8	55.1	66.1	56.2	19.3	--
Agriculture	9.4	12.4	28.9	23.2	21.5	24.3	31.3	35.4	--
Total Farm Cash Receipts (quarterly)	-0.4	11.9	18.4	23.6 (Q2)	--	--	--	18.4 (Q3)	--
Manufacturing Shipments	6.5	1.9	8.4	22.2	10.1	21.0	8.9	-4.3	--
Wholesale Trade	13.0	4.5	10.5	14.5	11.7	21.4	14.8	6.8	--
Building Permits	36.0	13.4	-15.4	-14.9	-34.0	-12.2	-43.9	-14.5	--
Residential	34.6	10.7	-31.6	-39.9	-48.4	-37.9	-35.6	-37.9	--
Non-residential	38.1	17.1	6.5	28.0	-11.5	28.9	-50.5	20.4	--

Alberta Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). Year-to-date value is actual 2008. The October population estimate is also the 2009 year-to-date value.

[2] Total income earning in Alberta including wages and salaries, and supplementary income.

[3] Average of Calgary and Edmonton.

[4] 2008 based on initial investment intentions, 2007 preliminary actuals.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2008)											
Real GDP Growth											
2007 (actuals, Statistics Canada)	**2.7%**	9.1%	2.4%	1.7%	1.7%	2.7%	2.3%	3.3%	2.5%	**3.1%**	3.0%
2008	**0.7%**	1.5%	0.7%	1.5%	1.0%	0.9%	0.2%	2.7%	5.2%	**1.2%**	1.2%
2009	**1.5%**	-0.7%	1.3%	1.0%	0.8%	1.5%	0.8%	2.4%	3.6%	**2.6%**	1.8%
Population (As of October 1, 2008)											
Population	**33,441,277**	508,944	140,750	939,125	747,790	7,771,854	12,977,059	1,210,547	1,020,847	**3,610,782**	4,405,534
Annual Growth Rate[a]	**1.19%**	0.30%	1.54%	0.26%	0.19%	0.87%	1.07%	1.10%	1.49%	**2.36%**	1.64%
Net Interprovincial Migration											
2008 Census Year (July 1 2007 to June 30 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
3rd Quarter (July 1 to September 30 2008)		823	127	-722	-741	-3,046	-3,200	-1,515	2,064	**4,927**	1,484
Employment											
Level Change (000s)[b]	**259.4**	3.2	0.9	5.6	3.4	30.0	93.5	10.2	11.0	**53.8**	47.9
Percent Change[b]	**1.5%**	1.5%	1.3%	1.2%	0.9%	0.8%	1.4%	1.7%	2.2%	**2.8%**	2.1%
Unemployment Rate, 2008 avg	**6.1**	13.3	10.8	7.7	8.6	7.2	6.5	4.2	4.1	**3.6**	4.6
Participation Rate, 2008 avg	**67.8**	59.5	68.7	63.9	64.8	65.7	68.1	69.6	69.7	**74.7**	66.6
Average Weekly Earnings (SA)											
November 2008	**804.58**	752.99	649.18	692.73	741.61	746.68	835.82	725.17	770.06	**901.12**	780.47
% Increase[c]	**2.9%**	3.8%	2.0%	2.1%	3.3%	2.4%	2.6%	2.8%	4.4%	**4.9%**	2.0%
Wage Settlements (November 2008)										**4.8%**	
CPI Inflation											
December Annual	**1.2%**	1.2%	0.0%	-0.2%	-0.6%	0.5%	1.5%	1.9%	2.6%	**1.9%**	1.2%
Excluding Shelter	**0.4%**	0.0%	-0.4%	-0.8%	-1.1%	-0.2%	0.5%	1.0%	0.4%	**0.6%**	0.8%
Housing Starts (000s)											
SAAR December 2008	**177.3**	3.6	0.9	3.9	3.1	43.8	64.0	7.0	5.6	**21.0**	24.3
Retail Sales											
Percent Change[c]	**4.1%**	8.5%	5.4%	4.9%	5.2%	5.3%	4.3%	7.9%	11.7%	**0.6%**	1.4%
Avg. Monthly % Change (Jan-Nov 2008)	**-0.1%**	0.4%	0.5%	0.2%	0.2%	0.2%	-0.1%	0.2%	0.4%	**-0.3%**	-0.5%
Manufacturing Shipments											
Percent Change[c]	**0.1%**	32.8%	-3.3%	11.3%	18.8%	2.3%	-4.6%	1.8%	19.3%	**8.4%**	-6.5%

a. Over the past 12 months
b. January 2008 to December 2008
c. January 2008 to November 2008 (YTD)
SA-Seasonally Adjusted

Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada

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